

Financial and Operating Results

9M 2020

06 November 2020



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9M 2020 Results

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Key Messages

- 1. Ayala Land recorded total revenues of P63.3B and a net income of P6.4B, a decline of 48% and 73% respectively, due to the impact of COVID-19 on its business operations.**
 - 3Q 2020 total revenues improved by 73% to P22.1B and net income advanced almost nine-fold to P1.8B from 2Q 2020 as government restrictions started to ease.
- 2. Property development revenues reached P40.6B, a 52% reduction due to lower bookings and limited construction activity.**
 - With the resumption of construction activities starting June 2020, property development revenues more than doubled to P15.7 billion from P7.6 billion in the second quarter.
 - 9M 2020 sales reservations amounted to P60.8 billion, 56% of last year's levels despite the limited selling activity during the quarantine periods. 3Q 2020 sales reservations rose 66% to P22.5 billion from the second quarter as demand for residential products picked up.
- 3. Commercial leasing revenues totaled P17.3B, a 37% decrease given restricted mall and hotel operations and closure of resorts.**
 - 3Q 2020 mall revenues increased 29% to P1.5B from P1.2B in 2Q 2020 as restrictions eased further, resulting in higher foot traffic of 30-35% of pre-COVID.
- 4. Capital expenditures amounted to P45.3B equivalent to 65% of the full-year 2020 target.**
- 5. Financial sustainability initiatives strengthened the balance sheet with the net gearing ratio improving to 0.75:1 from 0.87:1 in the first half of 2020.**

Net income declined 73% to P6.4B

- Real Estate Revenues of P61.9B, 48% lower
- GAE ratio: 8.9%
- EBIT margin: 32.9%

Income Statement (in Php millions)	9M 2020	9M 2019	Change	%
Total Revenues	63,321	121,657	(58,337)	-48%
Real Estate*	61,937	119,650	(57,714)	-48%
Interest and Other Income	1,384	2,007	(623)	-31%
Equity in Net Earnings of Associates and JVs	528	704	(176)	-25%
Interest and Investment Income	290	581	(291)	-50%
Other Income	567	723	(156)	-22%
Expenses	52,867	85,836	(32,969)	-38%
Real Estate**	36,660	70,474	(33,814)	-48%
GAE	5,651	6,173	(522)	-8%
Interest expense, financing and other charges	10,556	9,189	1,367	15%
Income before Income Tax	10,454	35,821	(25,367)	-71%
Provision for Income Tax	2,942	9,537	(6,596)	-69%
Income before Non-Controlling Interest	7,512	26,284	(18,772)	-71%
Non-Controlling Interest	1,145	3,074	(1,929)	-63%
NIAT attributable to ALI Equity Holders	6,367	23,210	(16,843)	-73%

*Includes interest income on accretion. Per statutory reporting (17q), interest income on accretion is classified under Interest Income

**Includes interest expense related to PFRS 16 (Leases). Per statutory reporting (17q) Interest expense related to Leases is classified under Interest Expense

Revenues totaled P63.3B, 48% lower due to limited operations

Revenue Breakdown (in Php millions)	9M 2020	9M 2019	Change	%	
Property Development	40,616	85,433	(44,817)	-52%	
Residential	34,484	67,890	(33,405)	-49%	Lower bookings and incremental completion
Office for Sale	2,282	11,053	(8,771)	-79%	Lower bookings due to limited inventory and lower incremental completion of Park Triangle Corp Plaza and Alveo Financial Tower
Comm'l and Ind'l lots	3,849	6,490	(2,641)	-41%	Slower take-up in Alviera and limited inventory in Altaraza
Commercial Leasing	17,324	27,624	(10,300)	-37%	
Shopping Center	7,377	15,016	(7,639)	-51%	Limited mall operations during quarantine
Office	7,346	7,209	138	2%	Sustained BPO and HQ operations
Hotels and Resorts	2,601	5,400	(2,799)	-52%	Closure of resorts and lower average hotel occupancy due to quarantine and travel bans
Services	3,997	6,593	(2,597)	-39%	
Net Construction	1,624	2,541	(916)	-36%	Restricted construction activity
Property Mgmt. and others*	2,373	4,053	(1,680)	-41%	Lower power consumption of customers and limited AirSWIFT operations
Real Estate Revenues	61,937	119,650	(57,714)	-48%	
Interest and Other Income	1,384	2,007	(623)	-31%	
Total Revenues	63,321	121,657	(58,337)	-48%	

*Includes APMC, energy distribution companies and AirSwift

Property Development: Sales reservations of P60.8B, down 44%

Sales Reservations

- 9M20 average of P6.8B/month
- 3Q20 average of P7.5B/month
- 3Q20 vs 2Q20 up 66%

Local Filipinos: 72%

- P43.5B, down 43%

Overseas Filipino: 16%

- P9.9B, down 33%

Other Nationalities: 12%

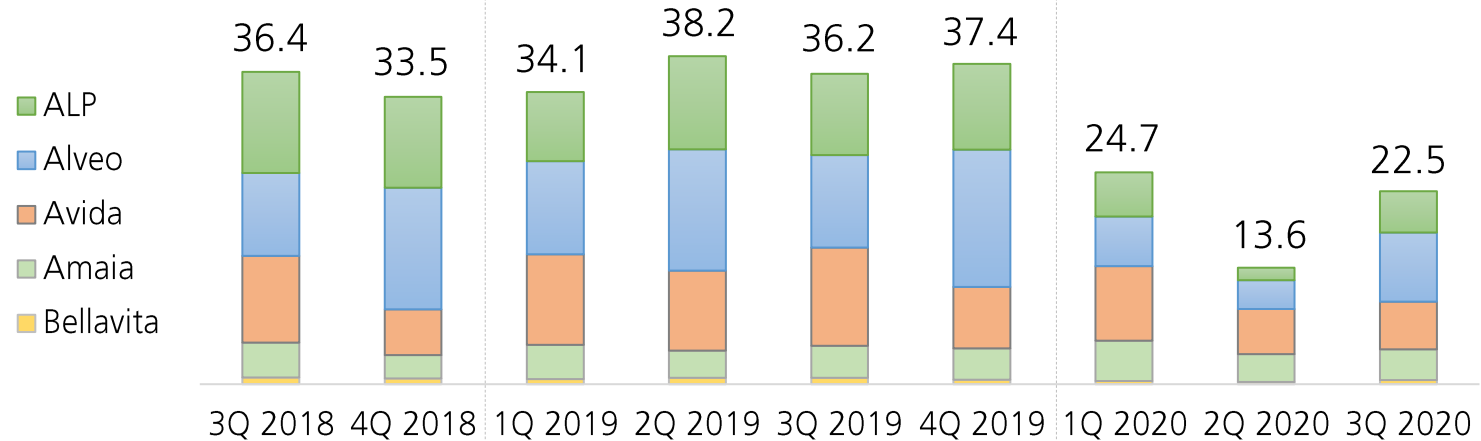
- P7.4B, down 57%

3Q20 Projects Launched: P2.2B

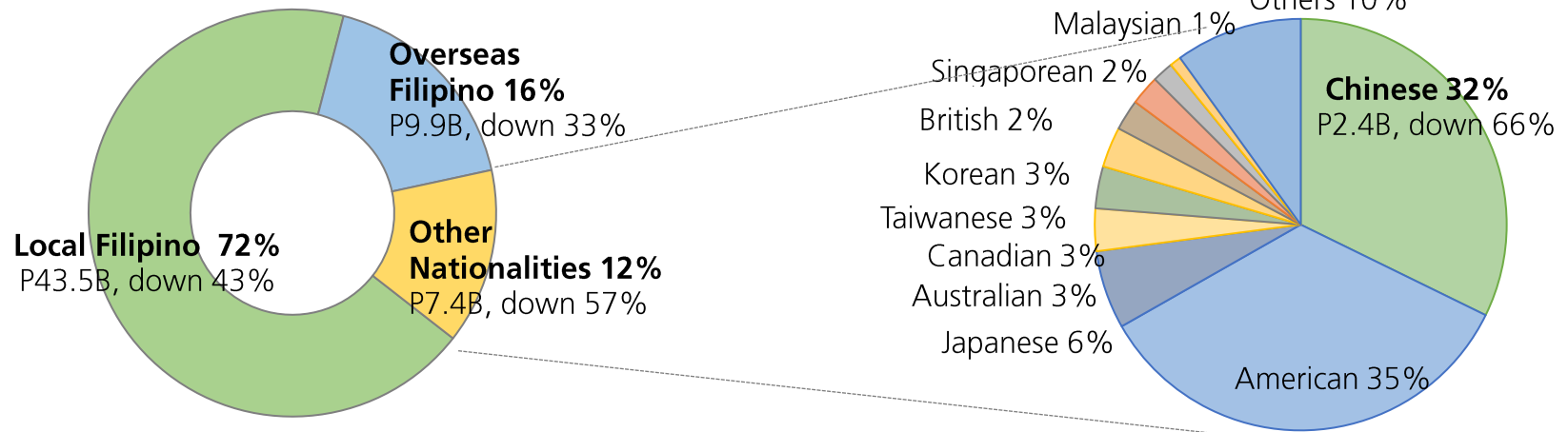
- 3 sequel projects; 444 units

Unbooked Revenues: P164B

Sales Reservations (in Php Billions)



Sales Breakdown



Note: Sales Reservations include offices and commercial lots for sale under the residential brands

3Q20 Residential Launches



Andacillo Phase 3A (August)
Nuvali, Laguna
79 lots, P1.4B | 61% take-up



Scapes Bulacan S4A (August)
Santa Maria, Bulacan
217 lots, P0.8B | 60% take-up

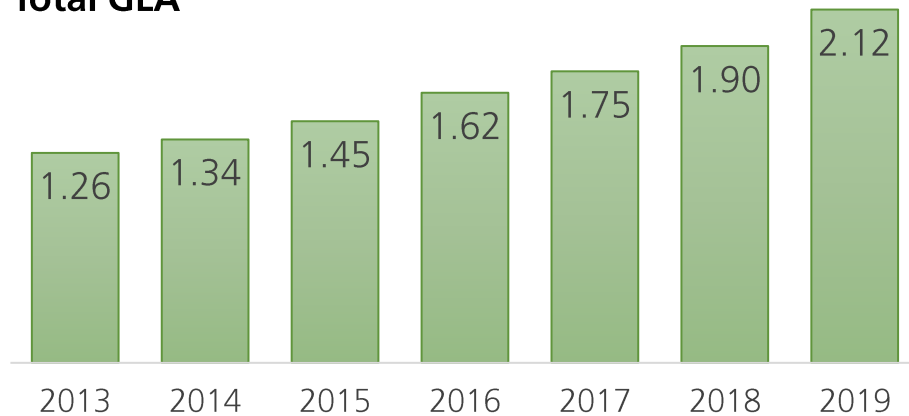
Malls: GLA of 2.12M sqm

Upcoming Openings

- Occupancy: Average 85%, Stable 91%
- Operating GLA: 62%
- Foot traffic: 30-35% of pre-COVID levels

AyalaMalls

Total GLA



Total Malls GLA under construction: **343K**



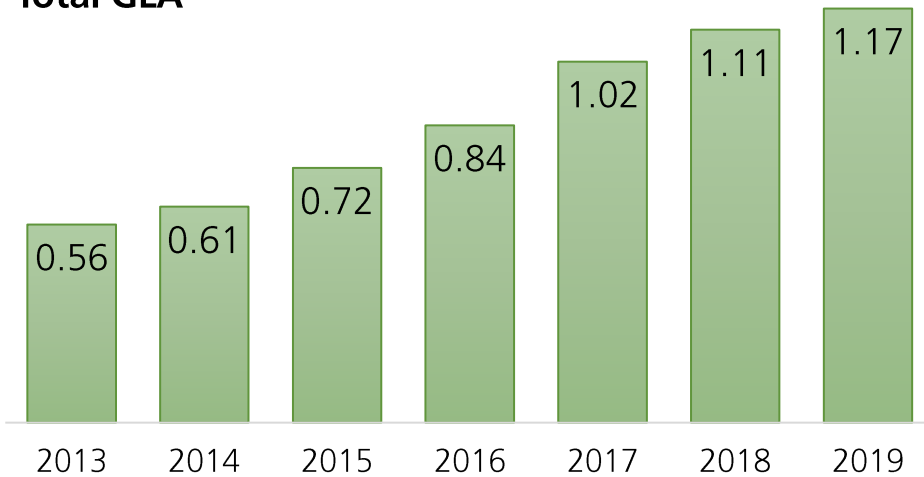
Ayala Triangle Gardens Retail | Makati CBD, 8K GLA (3Q 2021)

Offices: GLA of 1.17M sqm

- Occupancy: Average 95%, Stable 96%



Total GLA



Total Offices GLA under construction: **359k**

Upcoming Openings

PEZA
Accredited



BGC Corporate Center 2
BGC Taguig, 27K GLA (4Q 2020)

PEZA
Accredited



Central Bloc Corporate Center 2
Cebu IT Park, 40K GLA (4Q 2020)



Ayala Triangle Tower Two | Makati CBD, 65K GLA (1Q 2021)

Hotels and Resorts: 4,030 rooms

Upcoming Openings

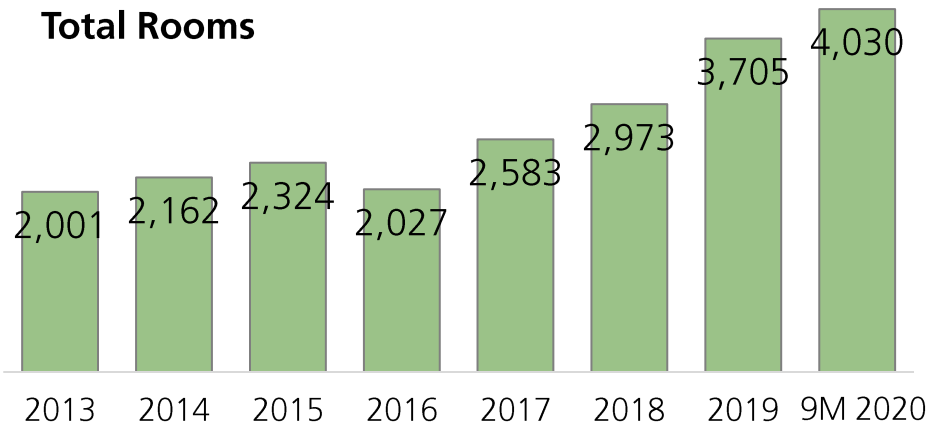
9M 2020	Hotels	Resorts
Rooms in operation	Branded: 660 Seda: 2,712 Circuit: 255	El Nido: 193 Lio B&Bs: 132 Sicogon B&Bs: 78
Occupancy		
Average	42% (-27 pt)	19% (-43 pt)
Stable	45% (-27 pt)	18% (-47 pt)



Hatch Hostel | Sicogon Iloilo, 52 rooms (4Q 2020 and 1Q 2021)

AyalaLand HOTELS AND RESORTS

Total Rooms



Total rooms under construction: **1,580 rooms**



Seda NUVALI Expansion | Nuvali Laguna, 206 rooms (1Q 2022)

New Leasing formats expand the commercial business portfolio

 **LOGISTICS HOLDINGS CORP.**
(FACTORY BUILDINGS and WAREHOUSES)



181K_{sqm} GLA

Lepanto 85,000
Laguna Technopark 56,739 + 6,000 in July
Cavite Technopark 12,604
Tutuban Storage 1,098
Alviera Industrial Park 19,412

Upcoming 2020 pipeline – 25,000

Laguna Technopark – 14,000
Alviera Industrial Park – 11,000

 **the flats**



2,044 Beds

Amorsolo 196 rooms | 728 beds
BGC 5th Avenue 375 rooms | 1,316 beds

 **CLOCK IN**

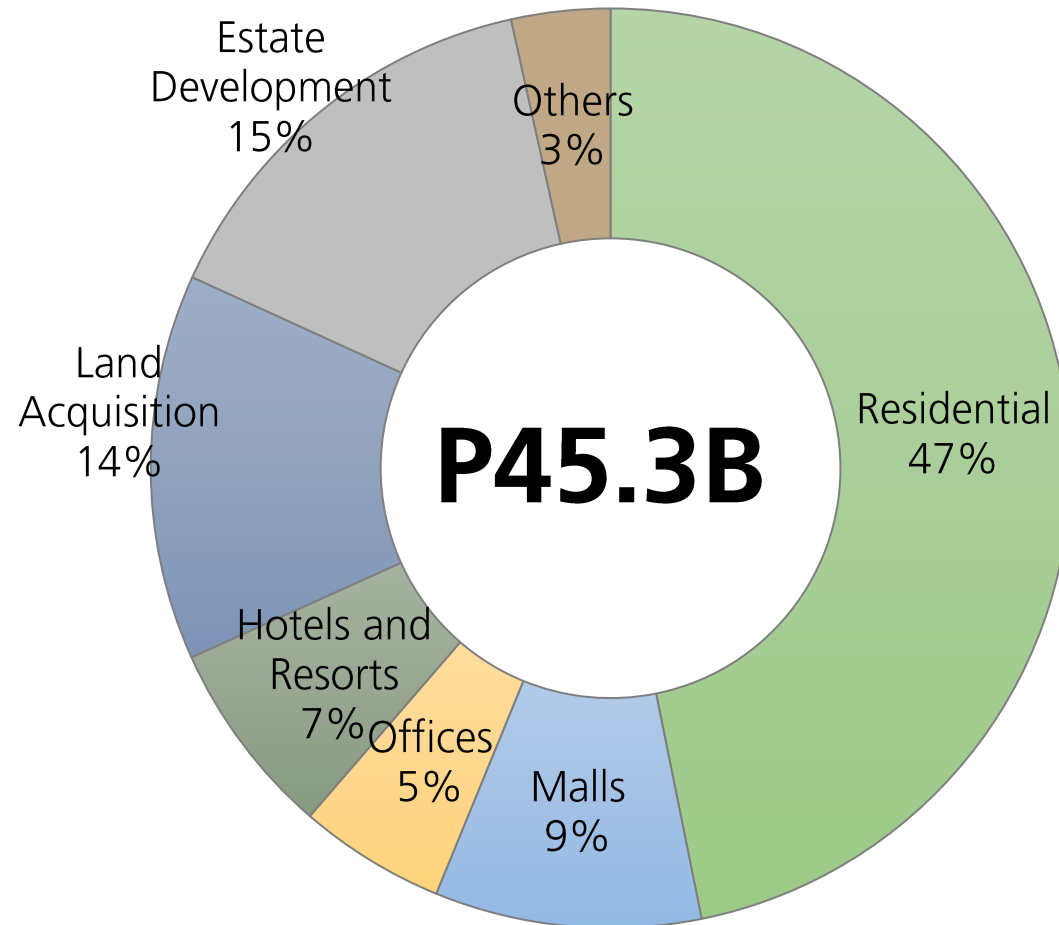


1,404 Seats

6,473 sqm of GLA

MSE 107, BHS 174, BGC Tech Center 227
Vertis North 185, The 30th 262, ANE 357, Lio 23,
ATC 69

Capex spend of P45.3B in 9M20, 65% of full-year target

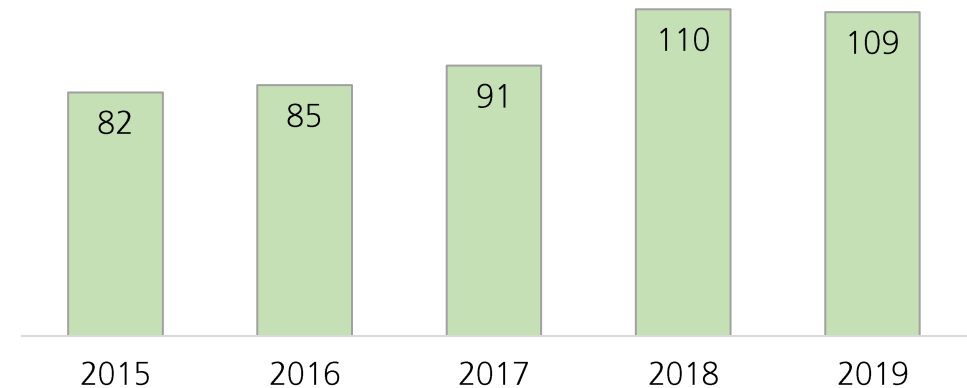


Capex Breakdown (in Php billions)

9M 2020 Actual

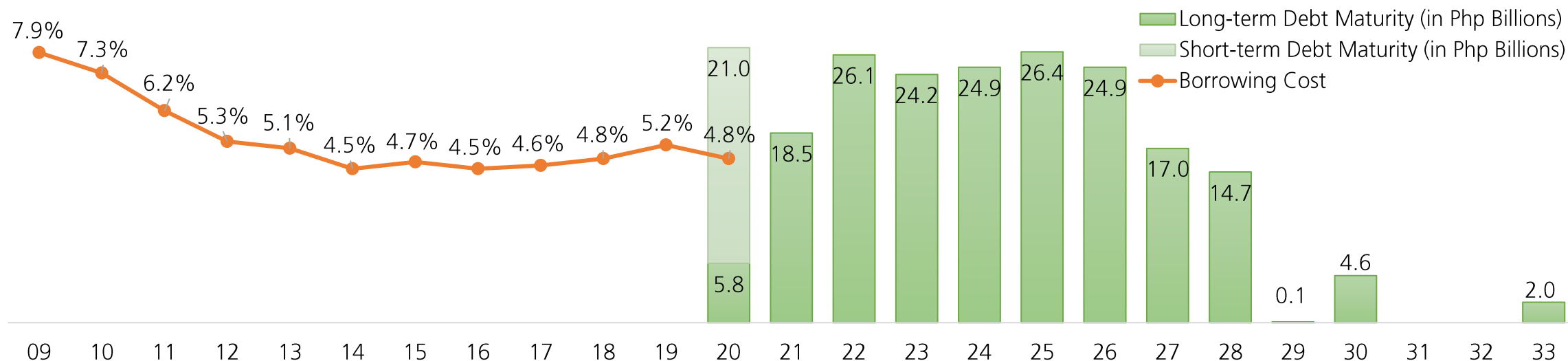
Residential	21.2
Malls	4.2
Offices	2.3
Hotels and Resorts	3.1
Land Acquisition	6.1
Estate Development	6.7
Others	1.6
Total	45.3

Historical Capex



Well-managed cost of debt, stretched maturities and mix strengthen funding capability

As of 30 Sep 2020 | Total Borrowings: **Php210.2B**: Short-term **Php21.0B** (10%), Long-term **Php189.2B** (90%)



Debt Mix	2014	2015	2016	2017	2018	2019	9M20
Fixed	74%	84%	79%	85%	89%	90%	86%
Floating	26%	16%	21%	15%	11%	10%	14%

The balance sheet remains healthy

Balance Sheet (in Php Millions)	September 2020	December 2019
Cash & Cash Equivalents	18,479	21,524
Total Borrowings	210,213	211,097
Stockholders' Equity	256,985	242,706
Current Ratio	1.54	1.30
Debt-to-Equity Ratio	0.82	0.87
Net Debt-to-Equity Ratio	0.75	0.78

In Summary

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